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## FAR EAST

1. INDOCHINA: Bao Dai reportedly discouraged and depressed--US Consul General Gullion in Saigon, in summarizing his impression of Bao Dai's present attitude toward the future of Vietnam, reports that Bao Dai appeared to be profoundly depressed and discouraged during a recent, prolonged interview. Bao Dai (who has now firmly decided to go to France) remarked that he would "wait and see" before deciding upon the date of his return from France, and Gullion comments that Bao obviously conceives of his coming visit as a means of wringing further concessions from the French as the price for his return. Bao believes that the French military effort in Indochina is going badly and feels that the French "are welching" on their political promises for granting greater autonomy to the new State of Vietnam. In estimating how Bao Dai's state of mind may affect the course of events in Indochina, Gullion comments that although Bao's present attitude may be transitory, the fact remains that Bao is seriously considering a "stay away" strike against the French and that Bao's present disconsolate attitude is far from that of a single-minded leader of an anti-Communist crusade.

(CIA Comment: Bao Dai's imminent departure from Indochina, on the eve of the technical conference scheduled for 20-25 June between France and the three new Indochinese states and just prior to initial delivery of US aid, is primarily a bargaining move aimed at extracting a French commitment to expand the "limited independence" recently granted Vietnam within the French Union. A prolonged stay in France by Bao Dai would seriously hamper French attempts to create a non-Communist nationalist movement in Indochina, and Bao's flat refusal to return to Vietnam could lead to a collapse of the current French political effort in Indochina.)

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